



“Oriental Bank of Commerce
Q2 FY2020 Earnings Conference Call”

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Moderator: Ladies and gentlemen, Good day and welcome to the Oriental Bank of Commerce Q2 FY2020 Conference Call, hosted by Antique Stock Broking. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone telephone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Sohail Halai from Antique Stock Broking. Thank you and over to you Sir!

Sohail Halai: Thank you Janice. Thank you everyone for joining the call. I welcome you all to OBC Q2 FY2020 Earnings Call. We have with us today Mr. Mukesh Kumar Jain – MD & CEO, and Mr Ashwani Kumar – GM & CFO along with the senior management of the team representing OBC. Without further ado, I would like to hand it over to Mr. M.K. Jain for his opening remarks.

Mukesh Kumar Jain: Thank you Sohail. Good afternoon friends, I welcome you all on OBCs conference call on financial results for Q2 FY2020. First I would like to highlight bank’s business and financial position then I will take your queries.

The operating performance in Q2 FY2020 was driven by healthy net interest income and improvement in fee based income and lower fresh slippages. Business mix in September 2019 stood at Rs.3.89 lakh Crores against 3.55 lakh Crores in September 2018, there is a growth of 9.58% in the overall business, the advances have grown by 10.27% and deposits have grown by 9.09% on Y-on-Y basis.

Bank had posted net profit of Rs.126 Crores in Q2 against Rs.102 Crores in Q2 the previous year registering a growth of 23.53% on Y-on-Y basis and bank is consistently showing profits over the last five quarters.

During Q1 bank had posted a profit of Rs.113 Crores thereby registering a growth of 11.50% on Q-o-Q basis. Operating profit for Q2 registered a growth of 21% and stood at Rs.1176 Crores against Rs.1025 Crores in Q1 of the current financial year, the above increase is mainly due to increase in interest income and treasury gain.

Net interest margin increased by 21 basis points to 2.62% during Q2 FY2020 from 2.41% during the Q1 of FY2020. Yield on advances increased by 55 basis points to 8.53% during Q2 FY2020 from 7.98% during Q2 FY2019 on Y-on-Y basis and the other income has increased to Rs.824 Crores registering a growth of 15.08% on Q-o-Q basis. Other income

share to total income has increased to 14.46% in September 2019 from 12.69% that is by 177 basis points on Q-o-Q basis.

CASA of the bank has grown by 6.42% on Y-on-Y basis, and CASA share has increased to 30.22% in September 2019 from 28.73% in June 2019. The last one year bank is replacing bulk deposits with the normal term deposits.

Bank's total capital adequacy in September 2019 is at healthy level of 14.03% comprising of Tier I 11.18% and Tier II 2.82% and CET-1 at 11.05%. Bank is well capitalized and poised for credit growth.

Bank's asset quality has shown consistent improvement since March 2018. Fresh slippage in Q2 this fiscal reduced to Rs.1388 Crores against Rs.1451 Crores in Q2 of previous year. On an half yearly basis, the slippage has decreased to Rs.2800 Crores in H1 of FY2020 from Rs.4281 Crores in H1 of FY2019.

Bank has created a separate credit monitory vertical across the banks over monitoring of credit portfolio and captures various EWS triggers. Both gross NPA and net NPA of the bank have reduced during Q2 FY2020. Gross NPA of the Bank decreased from 17.24% in Q2 FY2019 to 12.53% in Q2 FY2020 and net NPA decreased from 10.07% in Q2 FY2019 to 5.94% in Q2 FY2020 due to both cash recovery, upgradation and containment of fresh slippages.

Provisioning coverage ratio was improved from 65.31% in September 2018 to 77.13% in September 2019 and in NCLT referred cases PCR is 88%. PCR excluding technical write-off increased from 46% in September 2018 to 56% in September 2019.

For the last two years bank has changed focus towards retail and MSME and credit growth is driven towards this sector. As a result RAM portfolio has increased to Rs.85173 Crores in September 2019, from Rs.76565 Crores in September 2018 thereby a growth of 11.24%.

Bank is shredding its portfolio in high-risk assets, high-risk sectors, poor risk-weighted corporates and reducing unsecured exposure. Retail portfolio has increased by 18.60% on Y-on-Y basis to Rs.33222 Crores and MSME portfolio has grown by 14.18% to Rs.32904 Crores.

The RWA and credit risk-weighted assets have been continuously declining on sequential basis. During Q2 FY2020 advances increased by 10.27% whereas present risk-weighted assets have declined by approximately 1%. Cost to income ratio has also reduced to 48.42% from 50.19%.

Now gross outlook, our focus would remain towards retail MSME and mid-corporate segment, and we are targeting advances growth of 12% to 14% in the current financial year. We are also targeting cash recovery and upgradation of around Rs.7000 Crores during the year comprising of cash recovery of 3500, T.W.O. RI recovery of Rs.1000 Crores, NCLT recovery of Rs.1500 Crores and upgradation of Rs.1000 Crores.

Fresh slippages we maintain our stance at up to Rs.5000 Crores and net profit also we are maintaining our stance of touching the figure of Rs.1000 Crores for the entire full year and operating profit of around Rs.4500 Crores.

Credit cost we have a guidance of maintaining 1.5% to 2% for the whole year. CASA share also we are maintaining guidance of 32% to 33% in the whole year, net interest margin around 2.60% to 2.75%. Digital usage is already above 78% and we expect to reach to the level of 85% and I would like to specially mention that in the PSB Reform agenda ranking of June 2019 Bank has been adjudged as a third best performing bank after SBI and Bank of Baroda and best among the mid-size public sector banks.

These were the few highlights I wanted to share with you. Now I am open to your questions please. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question & answer session. We will take the first question is from the line of Bhavik Shah from B&K Securities. Please go ahead.

Bhavik Shah: Sir firstly as in this quarter we did not disclose stress asset portfolio slide in our PPT. So I just wanted an update on that as in what could be your stress portfolio, outstanding stress portfolio which was Rs.4600 Crores last time.

Mukesh Kumar Jain: Actually this was just skipped only, I can share that we have watch list of around Rs.3700 Crores, I will request our CFO to just give the details of that.

Ashwani Kumar: Yes we have a stress portfolio of around 3700 Crores which include accounts from different sectors road, power, EPC, services or agriculture, a bit of from CRE, NBFC and small amount from textile and others. In NBFC accounts mainly Dewan Housing Finance and Religare these are the two NBFCs around Rs.1300 Crores and road sector around Rs.400 Crores, power also around Rs.400 Crores, EPC business around 300 Crores and agriculture allied is Rs.149 Crores. So these are the few sectors which account for approximately Rs.2500 to 2600 Crores and others are from that Retail, MSME and agriculture.

- Mukesh Kumar Jain:** Sir we had around Rs.800 Crores of slippages this quarter. So was it from this stress list?
- Ashwani Kumar:** All slippages are from the stress list only. There are a few accounts which have moved out of the stress list because they were continuously performing well so we have moved them out. There are few accounts which are added during this quarter these accounts are not necessarily the account which are likely to turn NPA. These are the accounts which we are continuously monitoring on a regular basis. So these are not actually the likely NPA in the next quarter or next one year or so. There, it is an ongoing process, we continue to monitor all these accounts.
- Bhavik Shah:** Okay. Sir can I have a broad insight on what was the account that were added this quarter in this stress list?
- Ashwani Kumar:** Basically daily this quarter not many of new accounts are added. Probably one is that of Jain Irrigations, Religare, Essel Group account is also there that is in road sector Kundli-Manesar. So these are the three, four accounts which are added during this quarter for continuous monitoring though these accounts are performing, Essel Group is performing well, but we have added these accounts. And TANGEDCO another account, that is added in during this quarter.
- Bhavik Shah:** And Sir corporate slippages were broadly from which accounts this quarter?
- Ashwani Kumar:** The corporate slippages during this quarter?
- Bhavik Shah:** Yes Sir.
- Ashwani Kumar:** One is in a Sintex that is from the textile, one is from that iron and steel sector Girija Alloys, one is that Punjab State Government account that is Punjab State Civil Supplies Corporation that we will call that PUNSUP that is around Rs.95 Crores and one is Magppie International which is into Utensils, other luxury items, household items and certain other items is around Rs.85 Crores and another important account was Uttam Galva the iron and steel which Mr. Mittal was paying us because of Essar Steel. This quarter they have not paid so that account has also turned NPA during this quarter that is Rs.74 Crores.
- If we add up all these accounts, it will be around Rs.800 Crores of exposure in these accounts itself.
- Bhavik Shah:** Sir Girija Alloys would be around?

Ashwani Kumar: Girija Alloys will be Rs.86 Crores, one is that trading account is also there SISA International is there Rs.61 Crores and one road project Adilabad is there is around Rs.40 Crores, one real estate project is also there around Rs.36 Crores, that is the Goa Real Estate. So if we add all this will work out to Rs.800 Crores.

Bhavik Shah: That was helpful Sir, and Sir we have 5:25 exposure still going on.

Ashwani Kumar: Yes 5:25 exposure is going on.

Bhavik Shah: So as in which are the accounts would be sitting there?

Ashwani Kumar: Accounts are standard and there are not much of overdues all are standard no account has been reported under SMA. All are standard and if you want I can share the name also Essar Bulk, Navayuga Bengaluru, Beta Wind, Godawari Green, Lalitpur Power, and Super Smelters. So these are the 5:25 accounts around Rs.670 Crores is the total exposure in standard account.

Bhavik Shah: Okay and Sir we did not take the tax benefit this quarter, the lower tax rate, I just wanted some thought process.

Ashwani Kumar: Yes, see we have a MAT credit claim available around Rs.1300 Crores and if we opt for the new tax regime then we will be losing out on the cash what is available to us and there is an option available up to the date of filing of the return to opt for the new slab, new tax structure, so we will take a call, we are evaluating it finally. We will take a call maybe after the amalgamation process is over and we are into the amalgamated entity after taking the impact of the MAT credit available to all three banks put together that time we will take a call for that time because currently we are going ahead with the current tax structure itself and because once we utilize this option then we have no option to revert to the old structure. So we will not be in a hurry we will understand the entire implications. We have taken the legal consultant opinion also in that matter. Accordingly we have taken a call to go ahead presently with the current structure itself.

Bhavik Shah: Sir last quarter you mentioned Bajaj, Hindustan and Lalitpur Power.

Ashwani Kumar: Yes, now we have not taken them because they are running quite satisfactorily. There are no overdues and they are coming out with bond issue also and there is a likelihood that this exposure will be paid during this quarter. So we are not taking them in the watch list because there is no overdue. In last quarter all dues were paid in time.

Bhavik Shah: And Sir last question I will come back in the queue then. Sir what are the incremental ICAs that we have signed this quarter.

Mukesh Kumar Jain: Incremental ICAs, incremental ICA, I do not think we have signed any incremental ICAs during this quarter. See, all ICAs are signed after in July only, 26 ICAs have been signed amounting to Rs.4550 Crores, there are standard accounts also and we have all sorts of account in that.

Bhavik Shah: Sir any lumpy apart from Dewan and a couple of other accounts in the ICA.

Mukesh Kumar Jain: No, these are the main accounts in ICA.

Bhavik Shah: Thanks a lot Sir.

Moderator: Thank you. Next question is from the line of Maruk Adajania from IDFC Securities. Please go ahead.

Maruk Adajania: Sir just wanted to understand on DHFL there are various newspaper reports one said that RBI has asked banks to make 15% provision though there is some change in management and then over the last two days there have been reports of a forensic audit that there is a draft forensic audit report which the media has accessed and that claims that some diversion of funds have happened. So what is the exact status of DHFL because indeed if the draft reporter of the media reports is correct then getting a resolution done is going to be very difficult and even in terms of provisioning as RBI really asked banks to make 15% provision.

Mukesh Kumar Jain: See with regard to Dewan Housing Finance I can tell you that as on date account is standard and is in SMA 2 category and we have currently kept the account under the watch list.

With regard to the media reports appearing that RBI has asked the banks to make 15% provision that is in the media only. My take on that news is that banks have approached RBI for certain dispensation for permitting certain management change transaction which media report says that RBI has denied and in case they do that, that will be treated as a restructuring only and once it is treated as a restructuring then RBI norms of restructuring, 15% provisioning as account is classified as NPA account has to be made.

But so far as banks are concerned we have not heard anything from RBI to make any provision because there is no such Reserve Bank of India guidelines to make any provision in standard accounts.

Another thing about the forensic audit as of now we have not received any conclusive forensic audit report, it is all in the media only which is going through, so once we are through with the forensic audit and the conclusive forensic audit report only then we will be able to comment.

- Maruk Adajania:** Got it Sir and my other question was that you mentioned that in your watch list there is an Essel account is that the road account?
- Mukesh Kumar Jain:** Yes, it is the road account, but currently the account is standard account but since the Essel Group is into some issues, so we have kept it in the monitoring list. So that we continue to monitor the cash flow, inflow and outflow as everything in the account so that we do not want to lose focus on group account which is into trouble, but as on date account is standard with us.
- Maruk Adajania:** And which road is this Sir?
- Mukesh Kumar Jain:** This is Kundli-Manesar.
- Maruk Adajania:** Sir and what about SREI because again there are too many media reports on SREI, the stock prices falling a lot. So would you have exposure to that account and what would be the status?
- Mukesh Kumar Jain:** Yes, we have exposure to the SREI Group and we have around Rs.700 Crores, 800 Crores exposure in the SREI and we have already started reducing our exposure in that group, they are media reports only, but the fact of remains that as on date the all dues up to date that as we speak all dues up to date are paid. There is no overdue I mean a single day overdue as on date and during the period also there has been no default during this quarter or earlier quarters in the SREI Group accounts and with regard to our strategy we have already taken a call to rationalize our exposure in the SREI Group also and we have not taken any additional exposure in recent past in the SREI Group also rather we have been reducing because we have given some term loans they are being paid, installments are being paid, so we are reducing exposure in this account also as a matter of strategy itself instead of taking fresh exposure.
- Maruk Adajania:** And Sir this McNally Bharat Bharat would already be NPL or not yet in the IC accounts.
- Mukesh Kumar Jain:** It is already NPA.
- Maruk Adajania:** And you also mentioned ICA account for one ADAG, Anil Ambani Group Company after Aban Holdings you mentioned one what is that.
- Mukesh Kumar Jain:** That is the Vidarbha Industries Power.
- Maruk Adajania:** Ok. So that ICA has been signed but it is standard is it.
- Mukesh Kumar Jain:** It is NPA account.

- Maruk Adajania:** Oh! And when did it become NPA.
- Ashwani Kumar:** Maybe it is more than six months old, I do not have the exact date of NPA but it is more than six months.
- Maruk Adajania:** Okay but it is already here, and Sir about JVPL, in the Jaiprakash Power basically there has been a recovery or Prayagraj.
- Ashwani Kumar:** No, there is nothing as such. Prayagraj is resolved but money is yet to be received.
- Maruk Adajania:** Okay, so it will happen in this quarter?
- Ashwani Kumar:** Likely.
- Maruk Adajania:** Got it Sir, thank you so much. Thanks a lot.
- Moderator:** Thank you. Next question is from the line of Jay Mundra from B&K Securities. Please go ahead.
- Jay Mundra:** Sir in the opening remarks you mentioned that the NPA from Punjab State Government what is happening there Sir or is it something to do with our bank only or this is across banks that all banks may have to recognize this Punjab State Civil Supply.
- Ashwani Kumar:** See Punjab State Civil Supply there it is a Punjab Government Account and there was some shortage of funds with them so on the last day they were supposed to make a payment, they made a part payment on that day so as on date the account remains NPA but we are continuously in touch with the Punjab Government. There is likelihood that we will get the money this quarter and upgrade of this account during this quarter.
- Jay Mundra:** And this is different from this Food Corporation thing right this is a different company?
- Ashwani Kumar:** Yes, this is a state government entity.
- Jay Mundra:** No, no so this in Punjab there was a Punjab Food Corporation of Punjab that was different?
- Ashwani Kumar:** No, no that was different.
- Jay Mundra:** Sure, and Sir that you mentioned about Uttam Galva so Mittal is not paying now what does it mean, does it mean that they are not interested in Essar Steel also or how one should look at it, I mean why have they stopped paying for Uttam Galva.

Ashwani Kumar: See in Essar Steel they were having interest and to take the Essar Steel they paid Uttam Galva overdues and they have been continuously paying the installment barring the last quarter of June end. Since the Essar Steel is stuck up with the IBC there can be some thought in their mind. We are continuously following the company. We do not have exposure in Essar Steel.

Jay Mundra: And this is Uttam Galva not Uttam Value Steel or KSK Petro etc., this is mainly Uttam Galva which is the main company right.

Ashwani Kumar: Yes, and we have not a huge exposure, we have exposure of Rs.74 Crores only in this account.

Jay Mundra: And Sir the next question is from MD Sir. So now sir I mean we have seen the management change in Allahabad Bank and MD Sir they are shifting to Punjab National Bank in the run up to merger also. So have you, I mean, there are also opening at some other banks also I mean just wanted to understand have you been interviewed or how should one look at it in the run up to merger as well.

Mukesh Kumar Jain: My tenure is up to July 2020. So there is not much time left after March 2020.

Jay Mundra: And Sir in your understanding when balance sheet shifts from 31st March to 1st April you probably will have to take some markdown on your pension provisioning and actuarial assumptions. What could be the rough number Sir on actuarial assumption I believe we have not done this actuarial exercise for this quarter but if we were to do at current yields what roughly can that number be and what is the wage revision hike that we are assuming for this bipartite settlement.

Mukesh Kumar Jain: I will ask my CFO to reply this but wage hikes is so far IBA has offered 12% so we have taken into consideration up to the 12% about the other part I will ask my CFO to reply it.

Ashwani Kumar: See with regard to this gratuity and provisions which we were talking about the actuarial valuation we have not yet get the actuarial valuation, based on the previous year's figures we have made the proportionate provision during this quarter also and it is likely to be in the same range which we have made the provision.

Jay Mundra: Sure Sir. That is very helpful thank you so much.

Moderator: Thank you. Next question is from the line of Bhavik Shah from B&K Securities. Please go ahead.

Bhavik Shah: Sir what would be the SMA 2 exposure this quarter.

- Mukesh Kumar Jain:** See as we have already discussed our watch list the total is 3700.
- Bhavik Shah:** Okay that is SMA 2.
- Mukesh Kumar Jain:** Includes corporate around 2700, retail 150, MSME 400, agriculture 250 and others around 165 or so. So total together is around 3700, that is you can say SMA 2 or stress portfolio or the watch list.
- Bhavik Shah:** And Sir this quarter we have seen a degrowth on Q-on-Q basis we see degrowth in corporate book was very sharp 7% Q-on-Q. So Sir any broad highlights there. Retail growth was also down Q-on-Q.
- Mukesh Kumar Jain:** Our retail growth is 18.6% Y-on-Y, Y-on-Y MSME is 14.18% and overall is 10.27%, I think this is better than the industry.
- Bhavik Shah:** Yes Sir.
- Ashwani Kumar:** What is your question then?
- Bhavik Shah:** Sir, why are we seeing dip Q-on-Q means why are we then decelerated?
- Mukesh Kumar Jain:** Normally H1 is a slow half and there is no other any specific reason. There was some IBPC reduction also.
- Bhavik Shah:** And Sir term deposits even they were down very sharply, so are we referring down any book consciously or how is it?
- Mukesh Kumar Jain:** We have been shedding the bulk deposit that is the reason and, this quarter our IBPC exposure had reduced from 17000 to 11000 so that is the dip in the corporate sector exposure.
- Bhavik Shah:** Sir trading expense line, staff expenses have go down very sharply 23% Y-o-Y Sir, I mean any color there?
- Mukesh Kumar Jain:** That is because of that gratuity and pension provisions which we have made and wage revision provision.
- Bhavik Shah:** Okay Sir.
- Bhavik Shah:** Yes, that was there. Sir any exposure to Indiabulls Real Estate Group.
- Mukesh Kumar Jain:** No we do not have any exposure in their Real Estate.

- Bhavik Shah:** That is it from my side Sir.
- Moderator:** Thank you. Next question is from the line of Maruk Adajania from IDFC Securities. Please go ahead.
- Maruk Adajania:** Sir, do you have exposure to Reliance Home and Reliance Commercial and is it already NPL?
- Mukesh Kumar Jain:** Reliance Home we do not have any exposure, Reliance Commercial we do not have any exposure.
- Maruk Adajania:** And Sir what would be the status of JSPL do you have exposure to that.
- Ashwani Kumar:** JSPL?
- Maruk Adajania:** JSPL Jindal Steel.
- Ashwani Kumar:** No Jindal Steel we do not have, Jindal Steel, Naveen Jindal Group.
- Maruk Adajania:** And Sir my other question is which NBFCs have you entered in to co-lending arrangements with and if you could give us some color on that?
- Mukesh Kumar Jain:** We have this co-origination we have entered with arrangement with the SREI, so far we have also talking to two, three more NBFCs.
- Maruk Adajania:** And so what is the agreement?
- Mukesh Kumar Jain:** This is a kind of co-origination as per the RBI guidelines. We will be originating and we will be sharing the exposure.
- Maruk Adajania:** But Sir they will be originating what kind of loans?
- Mukesh Kumar Jain:** MSME basically.
- Maruk Adajania:** Got it. Okay Sir thank you.
- Moderator:** Thank you. Next question is from the line of Sneha from Sitcom. Please go ahead.
- Sneha:** Sir just wanted to know this overall recoveries and upgrades how do you see the recoveries upgrades on the NCLT account also.

- Mukesh Kumar Jain:** From NCLT see as of now, we are expecting around Rs.1500 Crores and major account as you know this Bhushan Power and Steel, Alok Industries etc.
- Sneha:** Apart from this NCLT any other recoveries or OTS which we are expecting for the second half?
- Mukesh Kumar Jain:** Any accounts OTS we are expecting it is a continuous process.
- Sneha:** And the stress book which you are mentioning Rs.3700 Crores how much provisions we are holding as of date?
- Mukesh Kumar Jain:** These are standard accounts.
- Sneha:** And so what would be the guidance on the credit cost for the second half?
- Mukesh Kumar Jain:** We are expecting we can say around 2% or so I mean less than 2% year as a whole.
- Sneha:** And slippages guidance??
- Mukesh Kumar Jain:** Slippages see we already had a guidance of up to Rs.5000 Crores we are maintaining them for the whole year.
- Sneha:** Yes, because in first half only we have done around Rs.1400 and Rs.800 Crores and still we are maintaining that same guidance?
- Mukesh Kumar Jain:** First half is Rs.2800.
- Sneha:** Rs.2800 Crores right so still you are maintaining that guidance whatever the system you are saying is stress book also of Rs.3700 Crores?
- Mukesh Kumar Jain:** We will see still these are the watch list we are closely monitoring these accounts not that every account will slip out of the watch list.
- Sneha:** But more or less Dewan, Religare they are almost near to slip only Sir, we have been about Rs.5000 Crores...
- Mukesh Kumar Jain:** We have taken into account.
- Sneha:** If I add Rs.1300 Crores so that was the big we would be expecting about Rs. 5000 Crores guidance on the slippages front or we remain...?
- Mukesh Kumar Jain:** See the balance around Rs.2200 we expect that we will be closing within that only.

- Sneha:** Okay. Got it thank you.
- Moderator:** Thank you. We take the next question is from the line of Keshav Kanoria from ITI Capital. Please go ahead.
- Keshav Kanoria:** Most of my questions have been answered. So just wanted to understand what will be your margins like under the repo-linked lending rate?
- Ashwani Kumar:** Maybe around 2.5 or so that is why overall we have given the guidance of 2.6 to 2.75.
- Keshav Kanoria:** And much has been talked about this and just wanted to hear from the management themselves, what is your view on the merger like what is the atmosphere in the organization the employees you just give me a piece of mind.
- Mukesh Kumar Jain:** You must have heard also from the Honorable FM that there will be no retrenchment and we will be giving best of the faculties to all the employees so overall employees are quite happy because they will be getting best of our all three banks that is OBC, PNB, United Bank, so that will be the win-win situation for each and every employees.
- Keshav Kanoria:** Regarding the exposure like we have spoken about DHFL, Religare what is the exposure to Suzlon Energy?
- Mukesh Kumar Jain:** It is around Rs.300 Crores and it is already NPA.
- Keshav Kanoria:** Okay. That is all from my side, thank you Sir.
- Moderator:** Thank you. Next question is from the line of MB Mahesh from Kotak Securities. Please go ahead.
- MB Mahesh:** Just a couple of questions on resolutions again. On Ruchi Soya and Alok, there have been significant delay despite the judgment coming through any reason as to what is causing this delay?
- Mukesh Kumar Jain:** There are various litigations going on. Some of the issues are holding these up but we hope that these should be resolved in this quarter.
- MB Mahesh:** And these litigations are what, it can go all the way of to multiple courts or how simple is the case out there?
- Mukesh Kumar Jain:** There are various small issues. But now everything is on the verge of being resolved. So we hope that we should see the light of the day.

- MB Mahesh:** And Sir is the funding confirmed in both the savings as and it is all tied up or anything in case of Ruchi Soya is the funding still pending to be tied up by the borrower?
- Ashwani Kumar:** As far as we have the information Alok has already made the funding arrangement but Ruchi Soya is still trying.
- MB Mahesh:** And on JPVL on this Prayagraj case what is our probability that UP Government will take it to the higher court to check for the validity of the court ruling?
- Mukesh Kumar Jain:** No, that cannot be a guess, there is always a possibility of any grieved party approaching a higher court.
- MB Mahesh:** If anything, by what time should they do it if they are supposed to do it and what is that you are hearing from the government or from the lenders?
- Ashwani Kumar:** An appeal has to be filed within a limited period as 30 days so things will be clear soon.
- MB Mahesh:** And one question on I am not sure if you are there in Nigrie of Jaiprakash. There the shareholders have given their agreement for conversion of debt to equity any idea when is that likely to happen?
- Ashwani Kumar:** We need to checkout on that.
- MB Mahesh:** No, I just trying to understand what kind of cases are available to you for upgradation in Q3 and Q4?
- Mukesh Kumar Jain:** There are several cases of a midsize not a very big ticket one at the moment but we have small, small midsize Rs.20 Crores to 50 Crores range on many cases.
- MB Mahesh:** And just confirmation what kind of net NPAs and gross NPAs are you trying to end for this current financial year.
- Mukesh Kumar Jain:** See we are expecting this gross NPA around 10% and net NPA around 5%.
- MB Mahesh:** Okay Sir. Thanks a lot.
- Moderator:** Thank you. Ladies and gentlemen, that seem to be the last question for today. I would now like to hand the conference back to Mr. Sohail Halai for closing comments.

Sohail Halai: Thanks Janice. I would like to thank the management of OBC and especially Mr. Jain to take out time for this call. Also like to thank all the participants who have joined this call. Thank you.

Mukesh Kumar Jain: Thank you so much Sohail. Thank you for arranging everything.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Antique Stock Broking Limited, we conclude today's conference. Thank you all for joining. You may disconnect your lines now.